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## WTO and Agriculture

# What's at Stake for Arkansas?

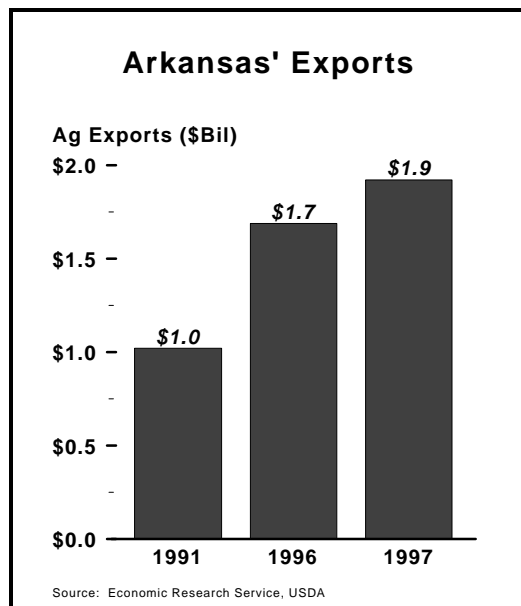
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Arkansas is an important producer of agricultural products and a major exporter. In 1997, Arkansas ranked 8th among all 50 states in the value of its agricultural exports. On the strength of its wheat, soybean, and poultry sales, the state's exports jumped \$200 million to \$1.9 billion. These exports helped boost farm prices while supporting about 32,300 jobs both on and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to Arkansas's agricultural and state-wide economy. The state's reliance on agricultural exports rose from 24% to 33% since 1991.

Arkansas' top five agricultural exports in 1997 were:

- # soybeans and products -- \$435 million
- # poultry and products -- \$413 million
- # rice -- \$411 million
- # wheat and products -- \$238 million
- # cotton -- \$208 million

World demand for these products is increasing, but so is competition among suppliers. If Arkansas's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.



## Arkansas Producers Benefit from Trade Agreements

Arkansas is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Arkansas include:

- # Arkansas, the nation's largest poultry producer, should benefit under the Uruguay Round as South Korea grants unlimited access for frozen chicken at a 20% tariff by 2004. Poland opened market access equal to 8.5% of domestic consumption. The Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004.
- # As the nation's leading producer of rice, Arkansas should benefit under the Uruguay Round as Japan and Korea open their rice markets. Japan established a tariff-rate quota that will increase to 758,000 tons by 2000. Korea lifted its import ban and established a quota that will increase to 205,228 tons by 2004. Under NAFTA, tariff preferences for U.S. rice exporters have helped increase the U.S. share of Mexico's imports from 40% in 1992 to 98% in 1996.
- # The nation's 5th largest cotton producer, Arkansas benefits under NAFTA with new rules of origin that have increased demand for U.S. textiles in Canada and Mexico. Mexico will phase out its 10% tariff for cotton by 2004.